April 24, 1933

Hon. Herbert H. Lehman,
Executive Chamber,
Albany,
New York.

My dear Governor:

Thank you for your letter of the 17th, but you must not answer all my letters. It is too much of a strain, and you have much more important business to do.

I have an idea which I wish to impress on you, however. I am thoroughly opposed to the bills to make corporations and banking institutions ineligible for appointment as receiver or trustee in insolvency or bankruptcy proceedings, and I can give good reasons for my opposition. But at this moment, what I wish to suggest is that you ask Judge John C. Knox, Senior District Judge for the Southern District of New York, what the views of the District Judges - there are eight of them - are on the subject.

This is not a question merely whether lawyers are entitled to be receivers or whether the Irving Trust Company has been efficient and economical. I do not think that the State Legislature should throw a monkey wrench into the present situation. The Federal courts should be able to run their own affairs. They adopted their present policy of
appointing the Irving Trust Company because of the shocking scandals which were disclosed in bankruptcy. Solicitor General Thacher, after a very thorough study lasting over a year, drafted a bill which was presented to Congress, with a special message by President Hoover, and if this bill had gone through the defects in the present system would have been cured. It fell by the wayside because of the greater importance of the railroad and corporation amendments passed at the close of the last session.

That bill will undoubtedly be reintroduced. It has the support of many business organizations, such as the New York Credit Men's Association; and it would be a serious error, in my opinion, for the State of New York to prejudge the matter and interfere with the administration of the Bankruptcy Act.

The Federal Judges, like all judicial officers, are reluctant to inject themselves into a controversial question, but I am sure that Judge Knox would be glad to give you his opinion and that of his associates. I have no doubt that he would go to Albany and talk with you on the subject, if you wished it. I question whether he would care to appear at the public hearing which you have set for Thursday.

As always,

Sincerely yours,

[Signature]

CC: S

C.R. Riegelman believes she will appear & Co. &

Charles C. Beach

[Handwritten note]

[Handwritten note]
a District Judge & Head

of the legislature, it is merely

incident to his my offensive

荣 - the Supreme Court's

previous to the precedent of

It seems to me precedent of

that are Federal

on the views of the telephone

bench. ... the views, but I

the views. ... he goes

venture suggested that I

in the matter of his opinion

in his office be very helpful to

your

C. C. H.